

**Michigan State Senate Appropriations Committee**

**October 14, 2015 – 2:00 pm**

***Kent County Testimony***

**Child Welfare Reform – Performance Based Funding Update**

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Good afternoon Senators. My name is Matthew VanZetten, and I am an Analyst with the Kent County Administrator's Office and Coordinator of the Family & Children's Coordinating Council – the local multi-purpose collaborative body. Sometimes known in other parts of the state as a community collaborative. In these roles, I focus much of my work on improving human service delivery including mental health and child welfare services, access to early childhood services, pay for success contracts, and integration of human services with the education system. We do this in concert with our partners in the philanthropic community, judicial system, state agencies, school districts, and non-profit providers. Ultimately, our goal is to use our resources to improve the outcomes of children and families.

Today I am privileged to have one member of community here in the audience – Diana Sieger, President/CEO of the Grand Rapids Community Foundation along with two members of the child welfare non-profit community: George Tyndall, the Kent County Director of Bethany Christian Services and Sean deFour, Vice President of Children & Families at Lutheran Social Services of Michigan.

Our community has been on a long journey to improve child welfare services. Starting with Perspective 21 in 1992 – a community wide planning process led by the Community Foundation in response to a child death that involved child protection services. Then through the County Board of Commissioners' commitment to prevention services via an annual \$1.7 million dollar appropriation. And now working with the State to deliver a true performance based child welfare system. Our community is interested in achieving better outcomes.

Unfortunately, too often though in government we get in the way of ourselves through too many rules and regulations that do not provide value – but instead are in place to ensure good

intentioned accountability. Yet when we continue to add rules and rules we often lose the necessary flexibility and nimbleness that allows the community to meet the unique needs of children and families and the situations they face.

That's the beauty of the journey we are undergoing now in transforming the child welfare system through the creation of a performance based model. We are changing the funding mechanisms and reporting requirements with a goal to remove barriers to performance. This requires, among other things -

- Creating an actuarially sound case rate
- Investing in real-time technology, and
- Negotiating a new master agreement with the State as well as having it approved by the federal court due to the Children's Rights consent agreement.

So where are we today?

In a meeting this summer with Senator MacGregor, Tim Becker, Steve Yager and the private agency leaders we came to agreement in a variety of important areas. We agreed that:

1. The State and Agency Consortia could utilize a new technology— **Mindshare** – to serve as a 3<sup>rd</sup> party overlay over MISACWIS. This will allow agencies to have real time data that they can manipulate to provide flexible case management tools, and real time performance measures to drive improvement. **Mindshare** also allows data to be received from other administrative data sets so we can begin to integrate school attendance and performance data with certain health data and/or certain child welfare data. This will allow us to provide better case management and earlier intervention to challenges that arise. At this time, we are waiting on the State to provide us with a data sharing agreement so we can begin the necessary data dumps and transformation.
2. We would identify a manner to integrate **prevention services** in the model. We are working on identifying a manner for this to occur.

3. In terms of the **actuary process** necessary to create a case rate, we are in the difficult process of negotiating terms for carve outs and stop loss provisions, how to create a prospective rate, and what does the hold harmless term mean.

We also learned earlier this summer that -

4. The consortia would be a **subrecipient** of federal funds. We are looking forward to receiving instructions from the State on those requirements so we can finalize the consortia budget and complete the fundraising process for startup funds.

Last,

5. We are receiving initial reports from the actuary in an attempt to identify a funding mechanism that is prospective in nature, and not one that is based on an unscientific data of the past which we know did not take into account the full cost of the expected work or the important trauma focused care that we need to incorporate.

At the end of the day, our goal is for the outcomes of children and families within the child welfare system to improve. We know that for this to occur in a 'macro' or large scale manner, the system and policies within it need to be altered to focus on performance and outcomes, rather than compliance measures.

We are so appreciative of the Legislature, Governor, and Department for providing seed funding in this year's budget. We look forward to providing regular reports on our work together.

